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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/772,530	02/04/2004	Alan Tien	2043.150US1	5406
49845	7590	09/24/2007		
SCHWEGMAN, LUNDBERG & WOESSNER/EBAY P.O. BOX 2938 MINNEAPOLIS, MN 55402			EXAMINER LE, KHANH H	
			ART UNIT 3622	PAPER NUMBER
			NOTIFICATION DATE 09/24/2007	DELIVERY MODE ELECTRONIC

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

USPTO@SLWIP.COM

**Office Action Summary**

Application No.

10/772,530

Applicant(s)

TIEN ET AL.

Examiner

Khanh H. Le

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 04 February 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-22 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-22 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 04 February 2004 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |   |   |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)  | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date <u>May 20, 2005</u> | 6) <input type="checkbox"/> Other: _____  |

### **DETAILED ACTION**

1. This Office Action is responsive to the original application of 02/04/2004. Claims 1-22 are pending. Claims 1, 11, 21, 22 are independent.

#### ***Claim Rejections - 35 USC § 101***

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. **Claims 11-20 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.**

The modules, as described in the Specification, are software per se thus fall under non-statutory subject matter. Claims 12-20 are rejected as dependents of claim 11.

#### ***Claim Rejections - 35 USC § 103***

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. **Claims 1-22 are rejected under 35 U.S.C. 103(a) as being unpatentable over “PayPal Introduces New Merchant Referral Bonus Program” By Ina Steiner AuctionBytes.com September 15, 2003, (Web Page Downloaded 2/1/05, from <http://www.auctionbytes.com/cablbnlyO31m091il5/s02>), herein “Steiner”, and PAYPAL.COM, “When and why did the \$5.00 USD Refer-A-Friend Bonus**

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end?", ( Webpage, Downloaded 2/3/05 from <https://www.paypal.com/cgi-bin/webscr?cmd=help=ext&leafid=54255&answer id=296650>), herein "PayPal".

**Claims 1-3, 11-13, 21,22:**

Steiner (page 1) discloses:

A system, machine readable medium storing a set of instructions to execute a method to incentivize a first party to refer a payment service to a second party, the method including:

establishing an account for the second party (merchant) , wherein the account is associated with one of a plurality of bonus programs ("Merchant Referral Bonus" ) and wherein the account is further associated with the first party;

receiving a payment to the account for the second party;

and awarding a payout to the first party ("PayPal members" implies 1<sup>st</sup> parties have accounts with Paypal to receive referral payouts) based on the payment to the account for the second party (\$10 reward for \$1000 in sales to merchant into account) and on the bonus program that is associated with the account (e.g. up to \$100 max. for this program) .

wherein the establishing of the account further includes associating a first identifier with the first party (implied: e.g. name of 1<sup>st</sup> party and/or account of 1<sup>st</sup> party so this one can get paid) and a second identifier with the bonus program ( implied: MRB, "Merchant Referral Bonus") wherein the second identifier is utilized to identify the bonus program from the plurality of bonus programs ( as opposed to "Refer-A-Friend" program).

Steiner does not specifically disclose "automatically awarding" as being done by computer to 1<sup>st</sup> party's account.

However, Paypal Seller Tools (paragraph 3 ) discloses that new members who sign up for a new account should "add and confirm a bank account" which presumably is the first party's account to receive the bonus.

Thus it would have been obvious to a person having ordinary skill in the art at the time the invention was made (herein a "PHOSITA") to add that Paypal method to Steiner to effect automatically paying the bonus into first party's account.

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**Claims 4 and 14:**

Steiner/PayPal discloses a method or system as in Claims 1 and 11 above but does not specifically disclose communicating the first identifier and the second identifier to the second party via the first party, wherein the first identifier and the second identifier are utilized by the second party to establish the account.

However, PayPal implies the first identifier and the second identifier are utilized by the second party to establish the account. (At paragraph 2, PayPal implies the identifier of the program, i.e. "Refer a Friend" has to be indicated by 2<sup>nd</sup> party when opening the account so proper bonus accounting for 1<sup>st</sup> party can be done. PayPal also implies, at paragraph 3 item 4, 2<sup>nd</sup> party submitting information about the account of the 1<sup>st</sup> party so this latter can receive the bonus).

Thus it would have been obvious to a PHOSITA adding to Steiner communicating the first identifier and the second identifier to the second party, so the second party can submit all that information when opening his or her account, as taught by PayPal, so 1<sup>st</sup> party can receive his or her bonus.

As to "via the 1<sup>st</sup> party", the name or legal status of the party communicating does not affect the steps of the method thus is given no patentable weight. In other words, as long as the communication is made to 2<sup>nd</sup> party, Steiner/PayPal discloses claims 4 and 14.

Further logically, the account of the 1<sup>st</sup> party can only be known to 2<sup>nd</sup> party via 1<sup>st</sup> party or one of his or her agents (e.g. another friend) during a referral communication. So, probably, as well the bonus program name or identifier.

Thus it would have been obvious to a PHOSITA to add further to Steiner/PayPal that the communication be via the 1<sup>st</sup> party (which also reads on the 1<sup>st</sup> party's agents) because that is the most probable way the 2<sup>nd</sup> party gets to know of the bonus program and how it can benefit 1<sup>st</sup> party.

**Claims 5-6 and 15-16:**

Steiner/PayPal discloses a method or system as in Claims 1 and 11 above.

Steiner further discloses configuring the plurality of bonus programs (MRB or "Merchant Referral Bonus" Refer-A-Friend" programs), wherein each bonus program includes a plurality of payout conditions (MRB has cap of \$100 in six month, initial \$10 on first \$1000 sales);

wherein the plurality of payout conditions is based on at least one of an eligible volume, a payout rate, a payout period, an initial payout, initial

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hurdle and a maximum payout (MRB has cap of \$100 in six month, initial \$10 on first \$1000 sales).

**Claims 7 and 17:**

Steiner/PayPal discloses a method or system as in Claims 1 and 11 above. Steiner further discloses wherein the payout includes an at least one of an initial payout (\$10) and a residual payout (variable up to \$100) .

**Claims 8 and 18:**

Steiner/PayPal discloses a method or system as in Claims 1 and 11 above. Steiner further discloses wherein the first party is eligible to participate in a plurality of bonus programs(implied: Paypal members can participate in any program currently available).

**Claims 9 and 19:**

Steiner/PayPal discloses a method or system as in Claims 6 and 16 above. Steiner further discloses wherein the plurality of bonus programs includes an at least one of an unrestricted bonus program (all Paypal members can participate) , and a restricted bonus program (cap of \$100 bonuses).

**Claims 10 and 20:**

Steiner/PayPal discloses a method or system as in Claims 1 and 11 above. Steiner further discloses wherein the payout is tendered in at least one of a plurality of national currencies (PayPal operating in the USA apparently pays bonuses in US dollars).

***Conclusion***

6. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Garg 6571216 discloses a rewards scheme to consumers with variable incentives to intermediaries or agents (col. 20 lines 20-34).

7. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Khanh H. Le whose telephone number is 571-272-6721. The Examiner works a part-time schedule and can normally be reached on Tuesday-Wednesday 9:00-6:00.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Eric Stamber can be reached on 571-272-6724. The fax phone numbers for the organization where this application or proceeding is assigned are **571-273-8300** for regular

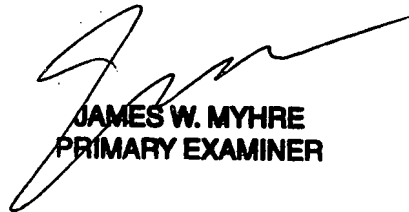
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communications and for After Final communications. Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 571-272-3600. For patent related correspondence, hand carry deliveries must be made to the Customer Service Window (now located at the Randolph Building, 401 Dulany Street, Alexandria, VA 22314).

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

September 16, 2007

KHL



**JAMES W. MYHRE**  
**PRIMARY EXAMINER**